

Statement of

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before the

**House Judiciary Committee
Subcommittee on Crime, Terrorism, and Homeland Security**

and

**House International Relations Committee
Subcommittee on Western Hemisphere**

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***“The Need for European Assistance to Colombia for the Fight
Against Illicit Drugs”***

Good morning, Chairman Coble, Chairman Burton, Ranking Member Scott and Ranking Member Engel and distinguished members of the subcommittees. On behalf of the Drug Enforcement Administration’s (DEA) Administrator, Karen P. Tandy, I want to thank you for your continued support of the men and women of DEA, as well as the opportunity to testify about the drug flow from South America to Europe and our cooperative efforts with our European counterparts.

Overview

The drug threat is global in nature. It affects not only the United States, but every country in the world. History has shown that any country that is a source country or part of the transit zone will eventually have a drug consumption problem. DEA is finding smarter and better ways to leverage the resources we have so that we can most effectively manage our drug law enforcement programs, while simultaneously coordinating with our foreign counterparts.

The good news is that today we know more about how drug trafficking organizations operate. This allows DEA to work more effectively and more intelligently. We have strong working relationships with governments throughout the world, particularly in Europe and Latin America. We depend upon the cooperation of these governments to leverage our resources most effectively and to implement our enforcement operations successfully. These joint initiatives not only help the United

States to reduce drug availability, but also in the long run will help others in their fight against the flow of cocaine from South America.

DEA has long been a leader in promoting international cooperation in the fight against drug trafficking. DEA currently has approximately ten percent of its workforce overseas. Of this international contingent, 60 DEA employees are stationed in 11 different European countries. This demonstrates our commitment to strong cooperation with our European counterparts. We believe that to combat worldwide drug trafficking effectively, the United States must maintain a sustained multi-national approach. The DEA focuses on improving counterdrug capabilities through developing personal liaisons with host nation law enforcement authorities, institution building with host nation governments, conducting bilateral investigations, and attacking the command and control structures of the major drug trafficking organizations. We depend upon the partnerships of our allies to achieve these goals.

My testimony today will focus on two primary issues. First, I will outline the drug threat facing Europe as a result of the movement of cocaine from South America. Second, I will discuss DEA's successful cooperation with our European law enforcement counterparts and our need to continue these multinational endeavors in stemming the flow of drugs from South America to the burgeoning cocaine market in Europe.

Increased Drug Flow to Europe

DEA benefits from first-rate intelligence and strong multinational coordination. Nonetheless, we still face a multitude of challenges in the counternarcotics arena. In recent years, Europe has seen an increased flow of drugs from South America. According to interagency estimates, approximately 80 percent of the cocaine destined for non-U.S. markets in 2005 was bound for Europe. The European Police Office (Europol) reports that cocaine is smuggled into the European Union annually via maritime shipments, air freight, and couriers.

DEA investigations have shown the same Colombian (and to a lesser extent Mexican) organizations that are smuggling cocaine to the United States are also responsible for smuggling cocaine to Europe. Therefore, it is vitally important that we coordinate with our European counterparts regarding illicit drugs. This is a threat that affects not only the United States, but also the entire international community.

Since the early 1990s, Europe has experienced a significant increase in the amount of cocaine trafficked from South America. There has been a series of events that has promoted this expansion. First, the U.S. Government and our host nation counterparts have conducted successful interdiction operations in the Western Hemisphere. For example, Colombia seizures of cocaine have increased over 400 percent -- from 41 metric tons in 1996 to 228 metric tons in 2005.

Greed has also lured major traffickers to European markets. Wholesale cocaine prices are significantly higher in Europe than in the United States. In 2006, wholesale

cocaine prices in the European Union range between \$38,000 and \$77,000 per kilogram as compared to the \$9,000 to \$40,000 per kilogram in the United States. As a result, the potential for this high profit margin has increasingly lured Colombian traffickers to European markets.

Furthermore, the demand for cocaine in Europe has significantly increased. According to U.S. government consumption estimates, Western European cocaine consumption has increased nearly 60 percent since 1998 – from 97 metric tons in 1998 to 153 metric tons in 2004.

Movement from Latin America to Europe

Over the past ten years, Colombian trafficking organizations have aggressively expanded their drug operations throughout Latin America and in Western Europe. Primarily shipping from Colombia, Venezuela, and the Southern Cone, cocaine is smuggled via a variety of conveyances before being shipped to Europe. The Colombian cells operate in Europe and often include representatives from multiple European nations.

The Iberian Peninsula, Spain and Portugal, is the principal gateway for cocaine entering Europe. It has strong cultural, linguistic, and ethnic ties to South America. Consequently, Colombian trafficking groups are more active in Spain than in any other European country. Spain seized an average of 39 metric tons of cocaine annually between 2001 and 2005, the most of any European nation.

Colombian trafficking groups have also established drug trafficking operations in the Netherlands, another important European gateway country for cocaine. Rotterdam, the Netherlands, is a key entry point for South American cocaine shipped to Western Europe by sea and air. Between 2001 and 2004, the Netherlands was second only to Spain in the quantity of cocaine seized, over 21 metric tons.

The United Kingdom is another significant country in both the consumption and transshipment of cocaine. In recent years, the UK has seen consumption and seizures increase. In particular, crack cocaine use has become a point of concern. According to the United Kingdom's National Criminal Intelligence Service, 35 to 40 tons of cocaine is transported annually into the United Kingdom.

Another significant cocaine transshipment point in Europe is Belgium. Antwerp, Belgium is Europe's second largest port and constitutes a major gateway for the import of cocaine from South America to the European Union. The Belgian National Police Central Drug Office estimates that approximately 20 tons of cocaine are smuggled into Antwerp annually. Colombian trafficking organizations control the distribution of cocaine when it arrives in Belgium.

The primary method for smuggling large quantities of cocaine from Latin America to Europe is via containerized cargo to ports such as Barcelona, Rotterdam, and Antwerp. Cocaine is hidden among legitimate cargo or within the container structure

itself. For example, recent seizures have included cocaine hidden among banana and pineapple shipments, within drums of honey, in fuel tanks, and secreted in marble sculptures. Other conveyances for smuggling cocaine include commercial maritime vessels, fishing vessels, air couriers, and airfreight on commercial aircraft. Before shipment, smaller consignments of cocaine are normally consolidated onto larger vessels in the Caribbean.

In May 2006, DEA/Special Operations Division (SOD) identified a critical need to develop an operating arrangement, and establish longitudinal participation, with the U.S. Coast Guard Maritime Intelligence Center (MIC), located in Miami. The MIC has several partners, including the United Kingdom. DEA/SOD was instrumental in facilitating strategic meetings to organize and formalize this agreement and is now an active participant in the MIC. The arrangement has already resulted in the seizure of more than 4,000 kilograms of cocaine.

Europe also faces the threat of South American cocaine that transits through Africa. Colombian cocaine traffickers have increasingly transshipped metric-ton quantities of cocaine to Europe via Africa. There is significant legitimate maritime activity between West African and European seaports, which makes detecting smuggled cocaine all the more difficult.

Colombia

Recently, there has been an increase in the number of shipments of cocaine from Colombia to Europe via personal couriers on individual commercial air flights. In 2005, 79% of cocaine seized at Colombian airports was en route to European locations, primarily Spain. This trend continued during the first half of 2006, as 86% of cocaine seized at airports in Colombia was destined for Europe, primarily Spain, the Netherlands, and the United Kingdom. The Colombian National Police has coined the term “microtrafficking” to describe the increased trafficking of small quantities of cocaine, averaging 2.5 kilograms per courier in 2006.

Venezuela

A significant quantity of the cocaine transiting Venezuela is destined for the European market. According to interagency intelligence assessments, in mid 2006, indicate that significant amounts of South American cocaine that flowed to non-U.S. destinations transited Venezuela. The building of drug distribution networks has been aided by Venezuela’s large immigrant community, consisting of Middle Easterners and Europeans, primarily from Spain, Portugal, Italy, and Lebanon - some of whom cultivate ties with drug trafficking organizations. For example, Italian organized crime members are involved in cocaine smuggling from Venezuela to Italy.

The U.S. Government has spent more than \$3 million building and equipping a cargo inspection facility at Venezuela’s Puerto Cabello in order to detect Colombian cocaine from this important port, most of which is destined for the U.S., Europe, and

elsewhere. However, the Government of Venezuela has refused to allow this facility to open.

Central America and Mexico

Like the United States, Europe also faces the threat of South American cocaine that is transhipped through Mexico and Central America. Since the late 1990's, we have seen the seizure in Europe of small quantities of cocaine coming out of Mexican airports. This past year, in contrast to the customary smaller shipments, a significant smuggling operation occurred. On March 22, 2005, two metric tons of cocaine and 7.5 million Euros were seized in Barcelona, Spain. This cocaine had been smuggled into Spain via commercial air cargo from Mexico. Spanish authorities arrested seven Mexicans and one Colombian in connection with this case. Intelligence suggests that as much as 50 tons of cocaine was shipped to Spain using this modus operandi between January 2004 and the time of the seizure.

Movement to Europe via Africa

Colombian trafficking groups have established ties with African criminal organizations in such countries as Ghana, Nigeria, Guinea, Guinea Bissau, Senegal, and Togo. Together, they take advantage of the weak governments in those nations in order to smuggle drugs to Europe. Africa is also becoming a key command and control platform for Spanish and Italian drug trafficking organizations. These drug trafficking organizations have connections in numerous countries in West Africa – from the islands of Cape Verde, 500 miles off the western coast to Ghana, Nigeria, Guinea, Guinea Bissau, Senegal, and Togo in the western part of the continent. From western Africa, trafficking organizations ship cocaine to Europe via fishing vessels or sail boats. Trafficking organizations exploit historical ties as well as cultural and linguistic similarities to further their goals. Cocaine transiting this region is destined for Spain, Portugal, Italy, the Netherlands, and France. Over the past 12 months, we have seen several metric-ton quantities of cocaine seized in West Africa and off the coast of Africa.

Kenya and South Africa are also transit points for South American cocaine en route to Europe. In December 2004, nearly one ton of cocaine was seized in Kenya that was destined for Europe, most likely the Netherlands. This seizure made us all the more aware that international drug trafficking rings had made inroads into Kenya and may benefit from a climate of official corruption.

South Africa is another important transit area for cocaine from South America destined for both Southern African and European markets. Cocaine continues to be controlled in South Africa by Nigerian trafficking organizations based in Johannesburg.

In many parts of the world, DEA has a strong relationship with our foreign counterparts. However, effective law enforcement is a particular challenge in Africa due to the sheer number of containers that transit through the seaports, the lack of trained inspectors and investigative intelligence, weak governments, and the widespread practice

of corruption. Therefore, Africa is seen as an ideal place for drug trafficking, and Colombian traffickers are ready to exploit this opportunity.

DEA's Cooperative Efforts with our European Counterparts

DEA has a strong and cooperative relationship with our European counterparts. As I mentioned earlier, we have offices in 11 European countries with approximately 60 DEA employees. DEA participates in joint law enforcement, intelligence, and liaison activities with a host of law enforcement entities throughout Europe.

For example, in operation "Twin Oceans" DEA worked as part of a multi-jurisdictional and multi-agency Organized Crime Drug Enforcement Task Force wire intercept operation that targeted a cocaine trafficking and money laundering organization responsible for smuggling multi-ton quantities of cocaine destined for the United States and Europe. This investigation resulted in the arrest of Don Pablo Rayo-Montano, the commander and controller of a criminal organization whose information technology-literate managers used highly sophisticated methods to coordinate the movement of cocaine north and illegal proceeds south. This investigation was designated a Consolidated Priority Organizational Target (CPOT) investigation, conducted with the cooperation of law enforcement agencies in Colombia, Panama, Brazil, Argentina, Venezuela, Spain, and Great Britain.. This three-year long investigation, which culminated in May, 2006, resulted in over 100 arrests and the seizure of over 47 metric tons of cocaine and nearly \$70 million in assets.

DEA has a particularly close relationship with the United Kingdom (UK). In the UK, DEA works closely with the Serious Organized Crime Agency (SOCA). SOCA was formed in 2006 by combining several drug enforcement elements from a variety of critical agencies throughout the British government. SOCA is now the primary UK agency responsible for combating international drug trafficking. In addition to representatives working from the British Embassy here in Washington, SOCA maintains liaison positions at DEA SOD and in DEA's Miami Field Division. Similar to DEA, SOCA maintains representatives in many countries throughout the world. DEA currently has numerous ongoing joint operations with SOCA.

For example, DEA and SOCA recently announced the completion of Operation "White Dollar." This DEA-coordinated investigative effort, also a CPOT investigation was conducted with the support of the U.S. Internal Revenue Service, Colombian Departamento Administrativo De Seguridad in Bogotá, Colombia, the Royal Canadian Mounted Police, SOCA in London and the New York City Police Department. The case involved the dismantling of a massive international money laundering ring that laundered millions of Colombian drug dollars in the U.S., Canada, and the United Kingdom through the Colombian Black Market Peso Exchange. This investigation resulted in the indictment of 34 individuals and the forfeiture to the United States of \$20 million in laundered funds, as well as the issuance of seizure warrants for more than \$1 million in additional laundered funds.

In the Netherlands, DEA has embedded two Special Agents with the Royal Dutch National Police National Crime Squad (NR). DEA works with an office in NR that has the responsibility for South American-related cocaine investigations. Since October 2005, DEA and the NR have conducted joint investigations that have led to seizures of approximately 6,200 kilograms of cocaine and the arrest of 32 defendants. One 4,500 kilogram seizure was linked to the North Valley Cartel, a major Colombian drug trafficking organization.

DEA is also active in other parts of Europe. In November 2005, DEA helped to coordinate an international cocaine investigation from Uruguay to the Ukraine. The cocaine traveled to Kiev via Sao Paulo, Brazil, and Lisbon, Portugal. This investigation resulted in the arrest of 8 defendants and the seizure of 10 kilograms of cocaine.

DEA and Spanish law enforcement are continuously working on joint investigations into cocaine smuggling. For example, on June 24, 2006, a joint DEA/Spanish Navy initiative resulted in a vessel being stopped by the Spanish Navy with approximately 2,500 kg cocaine on board. Twenty Colombian and Spanish nationals were detained. On June 21, 2006, a DEA joint Spanish Government initiative intercepted a fishing trawler sailing 500 miles off the Spanish coast carrying 3,300 kg. of cocaine. On September 1, 2006, a joint investigation with DEA, and Spanish and French authorities culminated in the seizure of 3,000 kilograms of cocaine in Spain and the arrest of eleven subjects. This notable success represented a four month joint investigation between DEA/SOD, Spanish, and French authorities which was supported by the Marine Intelligence Center (MIC) in Miami, Florida.

Within the last few days, the cooperative efforts between Spain and the DEA were bolstered when Administrator Tandy visited with the Spanish Interior Minister, Alfredo Perez Rubalcaba, and the Spanish Secretary of State for Security, Antonio Camacho, in Madrid. During these talks, the United States and Spain agreed to strengthen efforts to fight the laundering of drug money and jointly underlined the need for a "joint and coordinated" effort to stem drug-related crime, via the creation of specialized anti-narcotics teams from both countries. Spain is at the frontline of the anti-narcotics fight in Europe. In April 2007, Spain, in conjunction with DEA, will host the 25th International Drug Enforcement Conference (IDEC) in Madrid. IDEC was established in 1983 for law enforcement officials to share information related to narcotics trafficking and has been a major success in the international efforts to combat trafficking.

In addition to these cooperative efforts with DEA, Europe has also taken unilateral steps to combat the importation of cocaine to its shores. Seven countries, France, Ireland, Italy, the Netherlands, Portugal, Spain, and the United Kingdom, are forming an intelligence and operational center in Lisbon where maritime drug smuggling investigations can be coordinated.

Similar to the U.S. Joint Interagency Task Force- South, this Lisbon-based facility, to be called the Maritime Analysis & Operation Center (MAOC), is still in the development stage. As currently designed, MAOC will be led by law enforcement, in

contrast to the US Joint Inter Agency Task Forces, which are led by the U.S. military. Initially, the center will concentrate on drug cases, but the Europeans have hopes to utilize the center to fight other crimes, such as immigration and terrorism.

Conclusion

Mr. Chairman, the DEA is committed to working both harder and smarter in dealing with the threat of transnational drug trafficking that affects the entire global community. Drug trafficking is a global menace that threatens not just American citizens, but communities all over the world. We recognize that interagency and multinational cooperation are essential elements of the President's National Drug Control Strategy, and these cooperative efforts are the best way for us to dismantle and disrupt international drug trafficking organizations. DEA will continue to work tirelessly to enhance the effectiveness of our enforcement operations in order to curtail the flow of drugs to both the United States and Europe.

We thank you for your continued support of DEA and for the opportunity to testify here today. This concludes my formal statement, and I look forward to answering any questions you may have at this time.